

file

NORQUE COPPER MINES LIMITED



*The Prospect of Today
is the Mine of To-morrow*

Annual Report to the Shareholders

FOR THE FISCAL YEAR ENDED DECEMBER 31ST, 1965
AND
FOR THE SIX-MONTH PERIOD ENDING JUNE 30TH, 1966.

NORQUE COPPER MINES LIMITED

OFFICERS

<i>President</i>	- - - - -	BERT WILLIS LANG
<i>Vice-President</i>	- - - - -	JAMES LAWRENCE COWAN JENNER
<i>Secretary</i>	- - - - -	ROBERT ALEXANDER CRANSTON, Q.C. (Barrister-at-Law)
<i>Treasurer</i>	- - - - -	EDWARD ALBIN PIGULSKI (Executive)

DIRECTORS

BERT WILLIS LANG
(Mining Executive)

JAMES LAWRENCE COWAN JENNER
(Salesman)

RANDOLPH POPE MILLS
(Mining Executive)

CHARLES WILLIAM STREIT
(Stock Broker)

JOSEPH CHARLES DONATIEN LIARD
(Executive)

Auditors:	GLENDINNING, JARRETT, GOULD & Co., 112 King Street West, Toronto 1, Canada.
Bankers:	CANADIAN IMPERIAL BANK OF COMMERCE, King and Bay Streets, Toronto 1, Canada.
Solicitors:	LANG, MICHENER, CRANSTON, FARQUHARSON & WRIGHT, 50 King Street West, Toronto 1, Canada.
Transfer Agent and Registrar:	EASTERN & CHARTERED TRUST COMPANY, 1901 Yonge Street, Toronto, Canada.
Head Office:	Suite 1705, 80 Richmond Street West, Toronto 1, Canada.

The Annual and Special General Meeting of the Company
will be held at Suite 1705, 80 Richmond St. West
Toronto 1, Canada
at 4:00 o'clock in the afternoon on November 21st, 1966

NORQUE COPPER MINES LIMITED

Report of the Directors

To the Shareholders,
NORQUE COPPER MINES LIMITED:

Your Directors submit herewith Balance Sheet of the Company, with Auditors' Report showing the financial position of the Company as at December 31st, 1965 and as at June 30th, 1966 and Statement of Deferred Development from incorporation to June 30th, 1966.

Your Company was incorporated on February 22nd, 1956 with the objective of searching for orebodies in the Noranda Area. A large group of claims was acquired in Dufresnoy and Duprat Townships with a length of about 9 miles and an average width of 3 miles covering an area over 16,000 acres. These claims were acquired for \$2,457 and the issuance of 1,061,172 shares, at the price of 10¢ per share, of which 670,500 shares are held in escrow.

As the work progressed and information was obtained from aerial and ground geophysical surveys, geological mapping and limited drilling, this area was gradually reduced until we now retain what is considered to be the most favourable ground for the deposition of base metal deposits. The property was reduced to 10,000 acres by October, 1961, to 8,000 acres by November, 1962, to 6,700 acres by August, 1965 and during the past year to the present area of 3,480 acres, which covers the favourable geological structures for a length of about 5 miles as shown on the map included with this Report.

An aerial survey was completed over the Company's properties in 1959 using a helicopter equipped with a magnetometer and an electromagnetic (E.M.) unit with lines flown at about 1/8th mile intervals. The E.M. results obtained by the aerial survey were checked by ground geophysical work and what appeared to be the more interesting conductors were tested by drilling. As the E.M. instruments used at that time were considered to have very limited depth penetration, this drilling was confined to relatively shallow depths. A total of 9,700 feet of drilling was carried out to investigate these E.M. conductors.

During 1962 Lake Dufault, Norque and New Lorie shared the cost of a vertical drill hole which was drilled to a depth of 3,386 feet on the Norque property close to the common corner of the three properties. This hole intersected what is believed to be the downward extension of the rhyolite-andesite contact adjacent to which the Lake Dufault orebodies are located.

Dr. P. R. Eakins of McGill University with assistants carried out detailed mapping of the geology of the Company's property during the summer seasons of 1963 and 1964 and submitted his geological maps and report in February, 1965. In his report he states that he traced on surface the location of the Lake Dufault rhyolite-greenstone contact on the Norque property for a distance of about 2 miles on the westerly part of the Norque property.

During 1964 an Induced Polarization survey was conducted by Canadian Aero Mineral Surveys and a magnetometer survey was carried out over the westerly part of the property covering chiefly the indicated location of the Lake Dufault rhyolite-andesite contact. In a report on the results of this Induced Polarization survey, Dr. Harold O. Seigel, Consulting Geophysicist, states that seven favourable areas were indicated by this survey which should be explored by drilling.

A number of E.M. conductors were located in the general area of the rhyolite-andesite contact by a second aerial survey flown by Canadian Aero Mineral Surveys and by ground E.M. surveys carried out during 1965 and earlier years.

A detailed study has been completed recently by J. Duncan Crone, Consulting Geophysicist, of the results of all the geophysical surveys and of the detailed geological maps and reports by Dr. P. R. Eakins and by Alan C. Lee. He has laid out for further detailed work a large area covering the more favourable geological structures, aerial and ground E.M. conductors, and Induced Polarization anomalies.

Diamond drilling will be carried out to test a considerable number of E.M. conductors and Induced Polarization anomalies adjacent to the rhyolite-andesite contact on the westerly part of the property where very

limited drilling was previously done. It is possible that some deep holes may be drilled to explore the Lake Dufault rhyolite-andesite contact on the Company's block of claims, on which the deep joint hole was drilled and which extends south between the two blocks of claims held by Lake Dufault.

It is of interest to note that the adjoining Lake Dufault Mine recovered during 1965 from 475,007 tons of ore milled, copper and zinc with gross value of \$32,699,357 equal to \$68.83 per ton, or a net value after deducting treatment and refining charges of \$22,721,813 or \$47.84 per ton, to yield an operating profit of \$19,030,623 or \$40.06 per ton before write-offs of depreciation and preproduction expenditures. It was reported in last week's issue of The Northern Miner that in a deep vertical hole drilled from surface, Lake Dufault intersected a width of 13½ ft. averaging 4.58% copper and 12.64% zinc or a gross grade of over \$70.00 per ton on the favourable andesite-rhyolite contact in a new area on its property.

The Noranda Area has proven to be the major copper producing camp in Canada, and includes the Noranda, Waite Amulet, Quemont and Lake Dufault mines. Production in the Noranda Area to the end of 1965 has totalled over 75 million tons of ore with an average grade of 2.3% copper, .8% zinc and .13 ounces of gold per ton. The gross value of this production to the end of 1965, based on current Canadian metal prices, is in excess of Two Billion Dollars and averages \$27.95 per ton. Therefore, Noranda is considered to be one of the most favourable locations in Canada in which to conduct a search for copper orebodies of relatively higher grade.

Norque recently acquired by staking, at a cost of less than \$1,000, a group of 56 claims in the Bathurst-Newcastle district of New Brunswick. This block of claims is located in a relatively unexplored area where the geological structures are believed to be favourable for the deposition of base metal deposits. High-grade surface float material has been found in the general area. It is planned to conduct a soil sampling survey over this group. The more favourable soil sampled areas will be covered by geophysical surveys. Areas that so warrant will be drilled.

A Report by Alan C. Lee on the Company's properties and a geological map of the Noranda property prepared by him are included with this Report and are commended for detailed study.

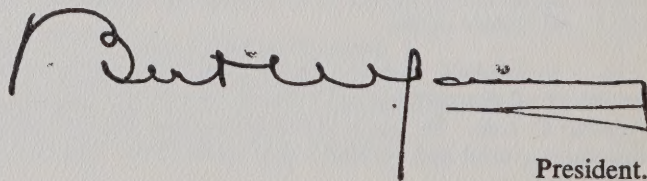
In order to provide funds to settle current liabilities, for further exploration and development work, for the staking of the claims in New Brunswick, and for operating expenses, the Company will offer to its shareholders (except those resident in the United States of America or any territory or possession thereof) the right to subscribe for 700,000 shares at the price of 15¢ per share (Canadian Funds) on the basis of one additional share for each four shares registered in their names.

To date the Company has sold 1,400,005 shares for a total of \$190,005 made up of 5 shares at \$1.00, 400,000 shares at 10¢ and 1,000,000 shares at 15¢ per share. No commissions have been paid on the sale of these shares. No shares have been issued nor has any cash been paid to any promoter as such. No remuneration has been paid by the Company to its directors or officers and none is estimated to be paid or payable during the next twelve months. No option agreements, underwriting agreements, bonds or debentures are outstanding or proposed.

In order that shares may be readily available to finance a major exploration and development program and bring the property into production if results so warrant, your Directors have passed a resolution, subject to approval by the shareholders, authorizing an increase in the authorized capital of the Company from 4,000,000 shares to 6,000,000 shares.

Since the geological structures on the Norque property in the Noranda Area are similar to those on the adjoining Lake Dufault Mine, it is believed that the possibilities of locating orebodies are exceptionally favourable. An aggressive and persistent program will be carried out in the search for such orebodies.

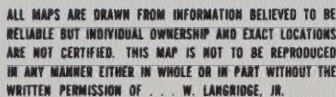
On Behalf of the Board of Directors,

A handwritten signature in dark ink, appearing to read "D. J. ...", is written over a horizontal line. Below the line, the word "President." is printed.

President.

Toronto, Ontario,
October 25th, 1966.

Q U E B E C



LANGRIDGE LIMITED

May 11, 1966

NORQUE COPPER MINES LIMITED

Report on Property located in Dufresnoy and Duprat Townships, Province of Quebec

Summary and Recommendations

The property comprises a large area, 3,480 acres, of abundant outcrop in the heart of the Noranda area. The rocks are similar to those in which ore bodies have been found on the adjoining Lake Dufault and Vauze properties and their ore-bearing structure has been traced over onto the Norque property. Three miles of this has been designated as a prime target and 10,000 feet of diamond drilling is recommended to test it. Ground geophysical work should be utilized to prospect the remaining parts of the ore-bearing structure on the Norque property.

Recently improvements in deep penetration by geophysical instruments opens up the possibility of detecting conductors which were previously out of range.

Two years of detailed geological mapping and study have narrowed down the target areas and allow attention to be focussed in the parts that are most likely to be fruitful.

The extensive program of exploration which has been carried out for the past 5 years has consisted of geophysical work and detailed geological mapping. Several aerial surveys were made by both helicopter and conventional aircraft, followed by ground work over the anomalies with a variety of instruments to screen out those of no significance. Ten thousand feet of drilling in eighteen holes was used to check the anomalies although none were drilled in the area in range VIII which it is proposed to test now.

The past years of exploration and study have enabled the search to be narrowed down to essentials with a large part of the property eliminated and dropped. The work can now be concentrated where it looks to be well justified and conditions necessary for success seem to exist.

Property

This is located in Dufresnoy and Duprat townships and covers an area, subject to survey, of 3,479.625 acres. Specifically the 49 claims held by the company are as follows:

<u>Township</u>	<u>Claim Nos.</u>	<u>Acreage</u>	<u>Range</u>	<u>Lot. No.</u>
Duprat	D.L. 75476 Cls. 1 & 2	200	VIII	53-54
	D.L. 75477 Cls. 1 & 2	200	VIII	55-56
	D.L. 135171 Cls. 1 & 2	177	VIII	61-62
	D.L. 135172 Cls. 1 & 2	200	VIII	59-60
	D.L. 135173 Cls. 1 & 2	200	VIII	57-58
Dufresnoy	D.L. 65367 Cls. 1 & 2	200	VI	27-28
	D.L. 65368 Cls. 1 & 2	200	VI	29-30
	D.L. 65377 Cls. 1 & 2	200	VI	25-26
	D.L. 115698 Cls. 1 to 5	193.855	West	38-42
	D.L. 115699 Cls. 1 to 5	183.770	Mac-	33-37
	D.L. 148048 Cls. 4 & 5	91	amic	26-27
	D.L. 148049 Cls. 3 & 4	112	Road	22-23
	D.L. 148050 Cls. 1 to 5	217	"	28-32
	D.L. 148108 Cls. 3 & 4	107	"	24-25
	D.L. 148109 Cls. 3 & 4	123	"	20-21
	D.L. 148116 Cls. 1 & 2	200	VIII	3-4
	D.L. 148117 Cls. 1 & 2	200	VIII	1-2
	D.L. 148118 Cls. 1 & 2	189	VIII	7-8
	D.L. 148119 Cls. 1 & 2	86	VIII	9-10
	D.L. 148129 Cls. 1 & 2	200	VIII	5-6
Total Acreage		3,479.625		

Location and Access

The Macamic highway leading north from Noranda forms the eastern boundary of the main block for a distance of 2 5/9 miles northward from the village of Dalembert. A second block lies 1 mile east of Dalembert along the Clericy highway, which forms its south boundary for the length of 1 mile.

The Duprat block adjoins the Dufresnoy township block to the west but can be reached most readily by Jeep travelling gravel roads which branch off the main road servicing Lake Dufault mine and the former Waite and Vauze mines, now closed.

The Norque property adjoins the most northerly part of the Lake Dufault Mines Limited for one mile, its main block then turns northwest and finally west in range VIII to surround the former Vauze Mines property, now Sheridan Geophysics.

Facilities

The main transmission line of Hydro-Quebec, 100,000 volts, feeding the Normetal mine at Dupuy, crosses the property and runs parallel to the Macamic highway. The Northern Quebec Power Company's line to Beattie-Duquesne Mines follows the highway also. Local rural cooperative lines follow both the Macamic highway and the Clericy highway.

Metal Production in Noranda Area to December 31, 1965

TONS AND OUNCES IN THOUSANDS

	Tons Treated	Tons Copper	Av. Grade	Tons Zinc	Gold oz.	Av. Grade
Horne Mine	51,539	1,127	2.19		7,854	.153
Quemont Mine	12,931	165	1.28	244	1,685	.130
Waite-Amulet-Dufault	9,658	410	4.25	355	266	.028
Vauze	378	12	3.02	3	7	.019
Lake Dufault	587	32	5.41	36	20	.033
	75,093	1,746	2.33	638	9,832	.130

Geology

The rocks here consist of an assemblage of older Precambrian volcanics, Keewatin type, both extrusive and intrusive. They comprise pillowed andesites, grading into dacites, and rhyolite flow breccias in alternate layers. Their dips are usually steep to vertical, although in the southeasterly extremity of the property dips may be as flat as 33° towards the northeast.

The flows are intruded by thick sills or dikes of diorite and related rocks as well as by porphyritic rhyolite.

Granodiorite, in varying compositions, is younger and intrudes the above rocks although it in turn is cut by minor dikes of aplite and lamprophyre. The youngest type so far recognized are the northerly trending diabase dikes which outcrop infrequently but which have been charted by magnetic surveys in many parts of the property.

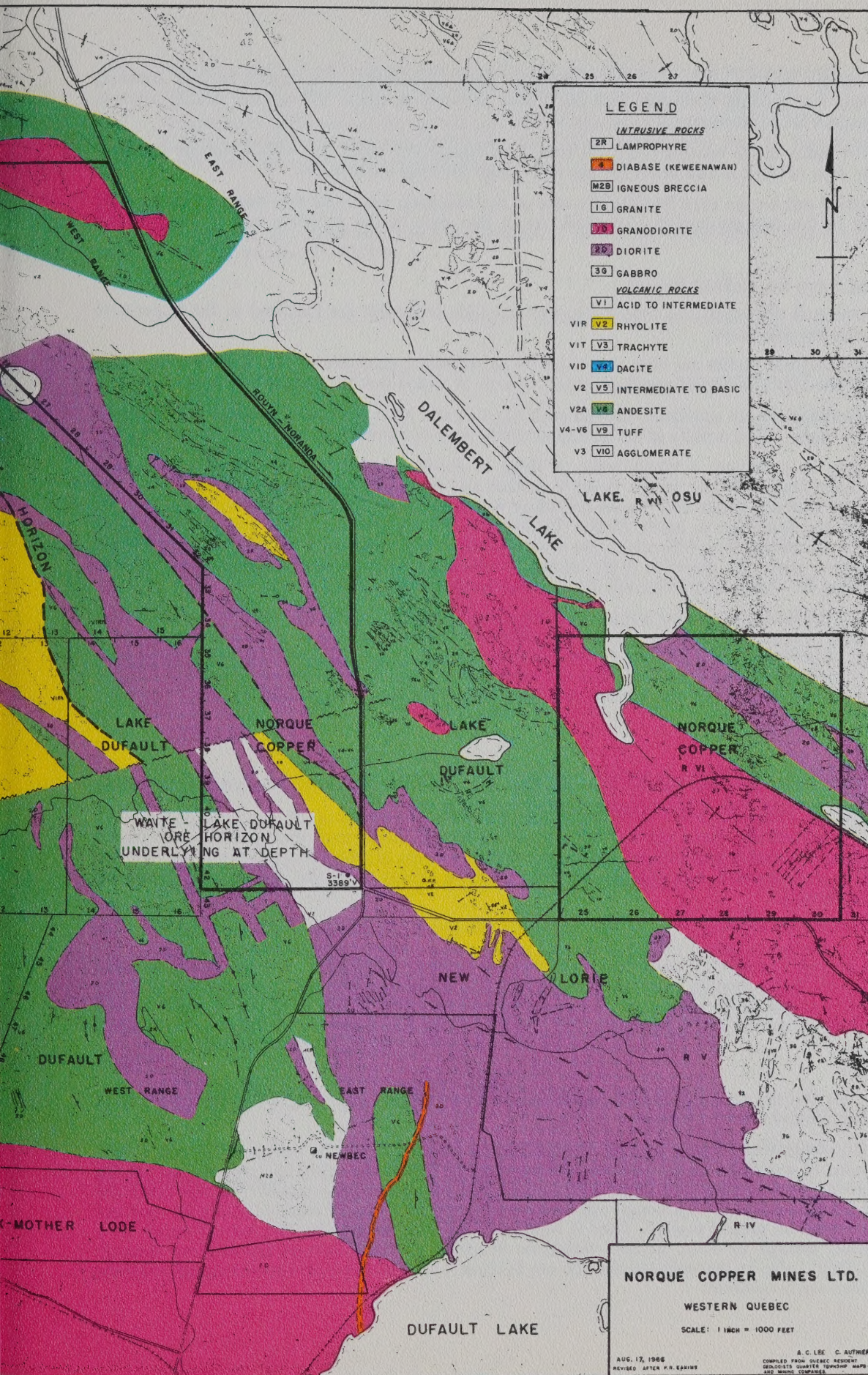
Ore Controls

With the discovery of each new copper-zinc-iron sulphide orebody in the area to the west and northwest of Lake Dufault evidence has pointed increasingly to a common pattern of occurrence, namely at the upper contact of a rhyolite flow covered by an andesite flow. So far, two such ore-bearing contacts have been identified, one, the more northerly being the Waite-Vauze-Dufault ore horizon, and the other the Amulet ore horizon which lies three miles to the south of the Lake Dufault mine.

Geological Mapping

In view of accumulating evidence that the ore of the area was restricted to certain lava flows, it was decided that the Norque property should be mapped in close detail so as to delineate individual flows and if possible to trace one or more of the productive ore horizons northward into the property from the Lake Dufault and Vauze mine property which adjoin. Dr. P. R. Eakins of McGill University spent the summers of 1963 and 1964 carrying out this work. It showed many interesting features but above all it succeeded in tracing the two flows, Amulet Hills andesite and Waite Hill rhyolite, whose contact is host to the old Waite, the Vauze and the new Lake Dufault orebodies. The contact follows an arcuate course through the property or





NORQUE COPPER MINES LTD.

WESTERN QUEBEC

SCALE: 1 inch = 1000 feet

AUG. 17, 1986
REVISED AFTER P.R. EXAMINE

A.C. LEE, C. AUTHIER
COMPILED FROM QUEBEC RESIDENT
SEDIMENTARY QUARTER TOWNSHIP MAPS
AND MINING COMPANIES

parallel to its boundaries starting at the southeast extremity where it emerges from Lake Dufault trending north through Norque but bending northwest into the Vauze property in range VII before turning towards the west again in range VIII of Norque.

All in all 5½ miles of the contact zone was traced, of which 3½ miles lies within Norque property while the remainder dips towards it and underlies the flow rocks showing on surface.

Mapping carried out on the area lying to the east of the Macamic road and that north of range VIII showed that neither of the two ore-horizons cropped out in that part of the property and it was allowed to lapse.

Conclusions Derived From Dr. Eakins' Report

- (1) His work confirmed the belief that copper-zinc-iron sulphide orebodies are localized in the uppermost parts of certain rhyolite flows.
- (2) These massive sulphide bodies are both magnetic and electrically conductive so that their presence may be readily detected by a variety of geophysical instruments provided that they are within range.
- (3) Wallrock alterations are not prominent around such deposits and have not been detected in the andesite capping above them. Thus a study of the alteration would not be of much help in locating such a deposit.

From his study he postulates a broad dome or ridge of rhyolite occupying the 2½-mile-wide hilly region between the Lake Dufault-Waite mines, range V section and the range VIII portion of Norque to the north. Thus the Lake Dufault, Waite and Vauze orebodies would lie along its south flank and that part of Norque would occupy the opposing, or north, flank. Thinning of the rhyolite band here and other evidence point to a similarity to the phenomena with which ore is associated on the south flank of the dome and Eakins feels that this is a prime target for intensive exploration. Accordingly he recommends that at least 10,000 feet of diamond drilling be undertaken along the 3-mile long ore-horizon.

The portion of this horizon cropping out in Norque on the east flank of the dome near the Lake Dufault property and that north of it on the Vauze property which dips into Norque does not appear to be as obviously promising as a result of investigation at shallow depths but deeper work by geophysical means or drilling may alter the picture. There is also the possibility that the fault system, which has operated to uplift the ore horizon as it proceeds eastward, may again bring this horizon within reach of prospecting tools presently available.

Previous Exploration

Geophysical work has been carried out over the past five years on this extensive property, following airborne work which combined both magnetic and electromagnetic surveys.

Ground work followed the aerial surveys using a wide range of instruments and methods, the object being to eliminate those anomalies that did not represent sulphide masses of worthwhile dimensions. At the same time their value was assessed with relation to the geological setting. Finally checks were made by induced polarization surveys.

Diamond Drilling

As a research project in 1962, a deep hole was drilled to a depth 3,389 feet. It succeeded in locating the Amulet andesite and Waite rhyolite volcanic horizons whose contact at 2,902 feet is ore-bearing at Lake Dufault. It is situated at the southeast corner of Norque's most southerly block, near the common corner with Lake Dufault Mines Ltd. and New Lorie Mines Ltd. The cost was shared equally by the three companies.

Work Recommended

The writer feels that the recommendations made by Dr. P. R. Eakins, following a two-season study of the property and area, deserve to be followed:

- (1) The extension of the Waite-Vauze-Dufault ore horizon on Norque should be delineated in range VIII by every means at our disposal to overcome the overburden handicap. This includes the use of the improved induced polarization and depth penetrating electromagnetic instruments. As the flows are narrow and the dips steep, the horizontal expression of the top of a lens of massive sulphides may not be large and could be missed easily. Thus it would be advisable to broaden the line of search to a width generous enough to cover unseen variations in strike or repetitions of the horizon through faulting. It should also be remembered that the ore horizon is sketched in from scanty outcrop evidence and is not necessarily accurate.

- (2) Ten thousand feet of diamond drilling should be done along the ore horizon to test it, even if conductors are not found. His outline of procedure for drilling should be followed.
- (3) Geophysical work should be carried out on the Macamic Road West group east of the contact zone between Amulet andesite and Waite rhyolite. This zone should also be broad enough to allow for repetitions through faulting with uplift.

Estimate

The cost of the diamond drilling recommended above should be about \$40,000 and the geophysical work \$5,000 for a total of \$45,000.

Respectfully submitted,

ALAN C. LEE, B.A.Sc., F.G.A.C.,
Engineer, Province of Quebec.

NORANDA, QUEBEC,
August 17, 1966.

CERTIFICATE

Norque Copper Mines Limited,
1705 Victory Building,
80 Richmond Street, West,
Toronto, Ontario.

I, ALAN C. LEE, of the City of Noranda, in the Province of Quebec, do hereby certify that:

1. I am a Mining Engineer with an office situated at 100 Fifth Street, Noranda, Quebec.
2. I am a graduate of the University of Toronto in Mining Engineering and have practised my profession as a Consulting Engineer in this area for over thirty years.
3. I have no interest in the 49 claims in Dufresnoy and Duprat township described in this report, nor do I have any interest in this company or its securities, nor do I expect to receive any.
4. My report dated August 17, 1966 is based upon studies of government reports of the area and upon personal knowledge of the Norque property and adjoining properties where exploration has been carried out under the writer's direction over the past 10 to 15 years.

DATED this 17th day of August, 1966.

ALAN C. LEE, B.A.Sc., F.G.A.C.,
Engineer, Province of Quebec.

NORANDA, QUEBEC.

NORQUE COPPER MINES LIMITED

Report on Property located in Northumberland County, Province of New Brunswick

Property

This consists of 56 mining claims, about 2,440 acres in one rectangular block as follows:

Claims Nos. 191084 to 191086 incl.	191486 to 191489 incl.
191453 to 191456 incl.	193376 to 193416 incl.
191469 to 191472 incl.	

They were acquired for the company by staking at a cost of \$607.30.

Location

The property is situated 5 miles south of the Little Southwest Miramichi river, 50 miles southwest of the town of Bathurst and 40 miles west of Newcastle.

Access

The property may be reached by road from Newcastle following up the Little Southwest Miramichi river via Whitney, Sillikers and Halcomb. Lumber roads lead west of there, crossing the Little Southwest Miramichi 6 miles south of Halcomb and then continuing 20 miles west to the property.

Geology

The area is underlain by bedrock of Ordovician and Silurian sediments and volcanics which have been metamorphosed in varying degrees and are intruded by acid to basic rocks of Devonian age. The rocks of principal interest, being the host rocks for the base metal deposits of the area, are acid volcanics, part of the Ordovician Tetagouche series which comprise quartz porphyry, crystal tuff, ash beds, etc. These crop out in a broad discontinuous arc west and south of the town of Bathurst. It has been creditably reported that the Norque group is underlain by Tetagouche series with acid members in the near vicinity.

Under these geological conditions there appear to be good possibilities of finding concentrations of base metals.

Proposed Program

In order to carry out a systematic search of the property for metal concentrations it is proposed to carry out a program of soil sampling. Areas of interest will then be checked by electromagnetic and induced polarization surveys. If anomalies of interest emerge from this work the more promising may be tested by diamond drilling.

An aerial survey already carried out over the property has indicated six electromagnetic conductors on the property.

Recommendation

It is recommended that the program proposed above be carried out at a total cost of \$15,000 made up as follows:

Geochemical and geophysical surveys	\$ 5,000
Diamond drilling, 2,000 ft. @ \$5	10,000
	<hr/>
	\$ 15,000

Respectfully submitted,

NORANDA, QUEBEC
August 17, 1966

ALAN C. LEE, B.A.Sc., F.G.A.C.
Engineer, Province of Quebec.

CERTIFICATE

Norque Copper Mines Limited,
1705 Victory Building,
80 Richmond Street West,
Toronto, Ontario.

I, ALAN C. LEE, of the City of Noranda, in the Province of Quebec, do hereby certify that:

1. I am a Mining Engineer with an office situated at 100 Fifth Street, Noranda, Quebec.
2. I am a graduate of the University of Toronto in Mining Engineering and have practised my profession as a Consulting Engineer in this area for over thirty years.
3. I have no interest direct or indirect in the 56 claims described in this report, nor do I have any interest in this company or its securities, nor do I expect to receive any.
4. My report dated August 17, 1966 is based upon a brief study of the published geological maps and reports on the area and upon information received from engineers and prospectors familiar with the area. I did not personally visit the property.

DATED this 17th day of August, 1966.

NORANDA, QUEBEC

ALAN C. LEE, B.A.Sc., F.G.A.C.
Engineer, Province of Quebec.

NORQUE COPPER MINES LIMITED

STATEMENT OF DEFERRED DEVELOPMENT

From Date of Incorporation February 22, 1956 to June 30, 1966

	Incorporation to December 31, 1964	January 1, 1965 to June 30, 1966	Total to June 30, 1966
EXPENDITURE ON EXPLORATION OF MINING CLAIMS			
Field engineering salaries and expenses	\$ 19,984	\$ 849	\$ 20,833
Field office salaries and expenses	601		601
Geophysical surveys	92,862	710	93,572
Development licences and renewals	31,627	2,113	33,740
Consulting services and outside engineering	16,339	357	16,696
Maps, prints and searches	2,540	227	2,767
Rental of equipment	5,723		5,723
Diamond drilling	44,014		44,014
Assaying	432		432
Core boxes	671		671
Line cutting	5,568		5,568
	<u>\$ 220,361</u>	<u>\$ 4,256</u>	<u>\$ 224,617</u>
Less: Expenditures on mining claims allowed to lapse transferred to deficit	20,034		20,034
	<u>\$ 200,327</u>	<u>\$ 4,256</u>	<u>\$ 204,583</u>
ADMINISTRATIVE EXPENSES			
Legal fees	\$ 6,413	\$ 200	\$ 6,613
Share certificates	299		299
Telephone and telegraph	1,401	14	1,415
Travelling expense	611		611
Stationery and office supplies	127	19	146
Transfer agent's fees	1,460	646	2,106
Miscellaneous	1,973	430	2,403
Audit fees	1,825	275	2,100
Capital and place of business taxes	415	165	580
Office accommodation	8,350	975	9,325
Shareholders' meetings and reports	166		166
Publicity	1,153	103	1,256
	<u>\$ 24,193</u>	<u>\$ 2,827</u>	<u>\$ 27,020</u>
TOTAL DEFERRED DEVELOPMENT EXPENSES	<u>\$ 224,520</u>	<u>\$ 7,083</u>	<u>\$ 231,603</u>
Less: Investment income	2,454		2,454
NET DEFERRED DEVELOPMENT EXPENSES	<u>\$ 222,066</u>	<u>\$ 7,083</u>	<u>\$ 229,149</u>

NOTE: Development expenses incurred January 1, 1965 to June 30, 1966:

Period January 1, 1965 to December 31, 1965	\$ 4,785
Period January 1, 1966 to June 30, 1966	2,298
<i>Total as above</i>	<u>\$ 7,083</u>

NORQUE COPPER

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

(With comparative figures for the preceding year)

ASSETS

	June 30, 1966	December 31, 1965
CURRENT		
Cash in bank	\$ 1,424	\$ 310
Accounts receivable		5,185
	<u>\$ 1,424</u>	<u>\$ 5,495</u>
MINING PROPERTIES		
Unpatented claims — Noranda area		
Acquired for 1,061,172 shares @ 10¢ per share	\$ 106,117	
Acquired for cash	2,457	
	<u>\$ 108,574</u>	
Less: Mining claims allowed to lapse and written off		
Acquired for 73,463 shares	\$ 7,346	
Acquired for cash	<u>2,457</u>	<u>9,803</u>
		98,771
		98,771
DEFERRED DEVELOPMENT — schedule attached	229,149	226,851
INCORPORATION EXPENSE	2,137	2,137

Approved on behalf of the Board:

B. W. LANG, Director.

J. L. C. JENNER, Director.

\$ 331,481 \$ 333,254

AUDITOR

To the Shareholders,
Norque Copper Mines Limited.

We have examined the balance sheet of Norque Copper Mines Limited as at June 30, 1966 and the related statement of deferred development from the date of incorporation, February 22, 1956 to June 30, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Ontario,
July 13, 1966.

MINES LIMITED

(of the Province of Ontario)

as at June 30, 1966

(figures for 1965)

LIABILITIES

	June 30, 1966	December 31, 1965
CURRENT		
Bank loan	\$ 27,000	\$ 5,000
Accounts payable		502
Due to director		23,271
	<u>\$ 27,000</u>	<u>\$ 28,773</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized

4,000,000 shares of \$1 par value each \$ 4,000,000

Issued — see note

Number of shares	Par Value	Discount	Net Paid In	
1,400,005 for cash	\$1,400,005	\$1,210,000	\$ 190,005	
1,061,172 for mining properties	1,061,172	955,055	106,117	
387,675 for exploration, administration, and incorporation expenses	387,675	348,907	38,768	
<u>2,848,852</u> shares	<u>\$2,848,852</u>	<u>\$2,513,962</u>	<u>\$ 334,890</u>	<u>\$ 334,890</u>

DEFICIT

Balance at end of period	30,409	30,409
	<u>\$ 304,481</u>	<u>\$ 304,481</u>

NOTE: 670,500 shares have been deposited in escrow with Eastern & Chartered Trust Company, to be released only with the written consent of The Ontario Securities Commission and the Board of Directors of the Company. On June 29, 1966 the Directors authorized an offering to shareholders to subscribe to 700,000 shares of the capital stock of the Company at 15¢ per share and the application to the Provincial Secretary for supplementary letters patent increasing the authorized share capital of the Company to 6,000,000 shares of \$1 par value each.

<u>\$ 331,481</u>	<u>\$ 333,254</u>
-------------------	-------------------

REPORT

In our opinion, the accompanying balance sheet and statement of deferred development present fairly the financial position of the Company as at June 30, 1966 and the results of its operations from the date of incorporation, February 22, 1956 to June 30, 1966, in accordance with generally accepted accounting principles applied on a consistent basis.

GLENDINNING, JARRETT, GOULD & CO.,
Chartered Accountants, Auditors.

